

Chapter 1

Introduction

1.1 On 23 March 2017, the Senate referred the provisions of the Fair Work Amendment (Corrupting Benefits) Bill 2017 (the bill) to the Senate Education and Employment Committee (the committee) for inquiry and report by 9 May 2017.¹

Overview of the bill

1.2 The *Fair Work Act 2009* (the Act) sets out employer and employee rights and responsibilities, providing a balanced framework for cooperative and productive workplace relations in the interests of national economic prosperity and social inclusion for all Australians.

1.3 The bill seeks to amend the Act in response to the findings of the Royal Commission into Trade Union Governance and Corruption.

1.4 If enacted, the bill would:

- make it a criminal offence to give a registered organisation, or a person associated with a registered organisation a corrupting benefit;
- make it a criminal offence to receive or solicit a corrupting benefit;
- make it a criminal offence for a national system employer other than an employee organisation to provide, offer or promise to provide any cash or in kind payment, other than certain legitimate payments to an employee organisation or its prohibited beneficiaries;
- make it a criminal offence to solicit, receive, obtain or agree [to receive] or obtain any such prohibited payment, either personally or for another person;
- require bargaining representatives for a proposed enterprise agreement (employers, employer organisations, and unions) to disclose financial benefits that the bargaining representative, or a person or body reasonably connected with it, would or could reasonably be expected to derive because of a term of the proposed agreement. Failure to comply with these requirements can give rise to civil remedies, but will not preclude the approval of the enterprise agreement.²

1 *Journals of the Senate*, No. 34, 23 March 2017, p. 1147.

2 *Explanatory Memorandum*, Fair Work Amendment (Corrupting Benefits) Bill 2017, p. iv.

Conduct of the inquiry

1.5 Details of the inquiry were made available on the committee's website. The committee also invited a number of stakeholders to make submissions to the inquiry.

1.6 Submissions were received from 11 individuals and organisations, listed at Appendix 1.

1.7 The committee held public hearings in Canberra on 12 April 2017 and Sydney on 13 April 2017. A witness list can be found at Appendix 2.

Compatibility with human rights

1.8 The explanatory memorandum states that the bill is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.³

Scrutiny of Bills Committee

1.9 The Senate Standing Committee for the Scrutiny of Bills (Scrutiny of Bills Committee) considered the bill in its Scrutiny Digest 4 of 2017 and highlighted a number of matters.⁴

Acknowledgements

1.10 The committee thanks those individuals and organisations who contributed to the inquiry process by providing submissions and giving evidence at public hearings.

3 *Explanatory Memorandum*, Fair Work Amendment (Corrupting Benefits) Bill 2017, p. iv.

4 See Senate Standing Committee for the Scrutiny of Bills, *Alert Digest 4 of 2017*, 29 March 2017, pp. 14–20.